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MEETING "THE NEW COMPETITION" WITH SIMPLIFIED PRACTICE

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It is not more than a few generations since a large part of our population was made up of self-sustaining units, each producing to meet its own needs, and limited in contacts with other units. The development of invention and labor-saving machinery, bringing increased productivity, naturally broke down these units and resulted in specializ ation. It also led to a disastrous condition in a type of competition between members of these specialized industries--a competition often resulting in purposely-made goods of odd dimensions. The idea of competitive advantage for the maker was back of this development.

It is within a relatively few years that the industrial and commercial world had begun to see that in business as well as in other activities, "United We Stand, Divided We Fall". The growth of the trade association and the broadening of the association's scope is bringing daily a wider recognition of the value of cooperative action.

Not the least of the gains from the cooperative spirit has been that derived from the cooperators' interest in simplified practice,--an interest which has been followed by united action in promoting wider use of the products of one industry, in finding new outlets for that product, in solving research problems, and in other ways meeting needs which were common to all.

It is five years since the Division of Simplified Practice was first requested by an industry to help it overcome problems arising from too great a variety of dimensions. And in that five years the industry, which applied this cooperative method of reducing variety (thus doing away with the costs of producing a wide and unnecessary range) has been finding an opportunity to compete with the products of other industries.

Industries which have sought the services of the Division to cooperate in doing away with the odd size have had a similar experience. The sheet steel industry, the slate, lumber, clay, concrete and sand lime brick groups have each found a new community of interest and of opportunity to present the advantages of their respective products as an industry, as well as to tell to their prospective consumers through their distributors about the benefits which accrue to all from this activity.

To the consumer, this competition between industries has brought a wider range of selection, either on a price or quality basis, an opportunity for a better comparison of the products offered and a more intelligent choice of materials. The group influence of the distributors is so strongly back of the simplification movement that they are a constant proof of the value of this type of competition. And the manufacturers, through their trade associations, are using the advertising columns of scores of publications to place their products in competition with those of other groups.

The activity of the group competition is proof of Secretary Hoover's comment at the National Distribution Conference that "It sharpens the knife of competition, for there is much less competition between dissimilar articles than between articles of the same quality, designation and character."

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Elimination of three types and five sizes of vises has been adopted by one Connecticut manufacturer as an individual simplification, and the report of the company states that this step is "in accordance with Secretary Hoover's idea of Elimination and Standardization".

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"It is our intention to confine our advertising in the future entirely to the sizes and shapes covered in the Simplified Practice Recommendation" says a New York company which took part in the simplification of glass sidewalk lights.

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The Concrete Block Manufacturers' Association of Minneapolis has formally accepted Simplified Practice Recommendations covering concrete building units, copies of the resolution endorsing the waste elimination program having been sent to Secretary Hoover. In acknowledgement, Secretary Hoover commented: "Widespread observance of and adherence to this program is the best way for the industry and its customers to gain a maximum benefit from this effort to eliminate waste in production and distribution of its products. I congratulate the Association on its constructive action".

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The Outdoor Advertising Association of America, at its last annual convention, adopted a five-year program during which both poster and painted bulletin structures of all Association members will be completely standardized as to size, location and decoration.

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The American Institute of Architects, as one form of cooperation in Simplified Practice, takes advantage of all opportunities to urge companies supplying materials to state that such companies have adopted Simplified Practice Recommendations and that the items carried in stock are in accordance with the provisions of such recommendations, says a report from LeRoy E. Kern, technical secretary of the institute.

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At its next meeting in Paris, the International Chamber of Commerce will seek to promote the development of standardized and simplified letters of credit, with a standard form, and with a fixed and uniform interpretation of terms for use in all countries.

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The St. Louis-San Francisco Railway, in its reclamation service plant at Springfield, Mo., saves more than a million dollars a year, says an exchange. This is one of six ways for industry to "cut down the waste pile". The other five are: Direct reduction of wastes, such as closer supervision of material, reduction of spoiled work, saving of power and fuel; Greater use of existing facilities through eliminating idle machines, idle men, idle materials; Revision of existing facilitios, through rearrangement of machines according to sequence of operations required, etc.; Simplification and standardization; and Better control of production resources through tracing to their sources the leaks in material, time and effort and applying corrective measures.

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From 25 to 45% of the existing standards for ball bearings, issued by the Society of Automotive Engineers would be eliminated if the report of a simplification committee on that subject is adopted, says a report frim that body. Individual companies are now revamping their catalogs to accord with the new list.

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Charles E. Billin, secretary of the Engineers Club of Philadelphia, has notified the Division that the Board of Directors has gone on record in favor of bringing Simplified Practice programs to the attention of the club's membership and also of endeavoring to interest the Philadelphia manufacturer in simplification.

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The Comitato Generale per L'Unificazione nell ' Industria Meccanica, with headquarters in Milan, Italy, ha s asked for information regarding Simplified Practice, announcing the innovation of a similar movement in Italy.

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In a recent exchange, an automobile body manufacturer reports that simplification reduced 765 units used in construction to 175. The company makes 51 of its 53 types of bodies out of standardized units. In addition to cutting the inventory in half, the company is able to make simplified parts in various plants and assemble them at far distant markets. Such an assembly took place in Japan, where parts shipped from three different cities were brought together for the first time, all fitting perfectly.

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Attention of the members of the Iowa Retail Hardware Association to Simplified Practice Recommendations affecting the hardware trade has been drawn in a recent meeting of that body.

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Paint and varnish brush manufacturers, distributers and users, in a general conference held on June 30 adopted a program eliminating 72% of sizes and setting up definitions for uniformity in measurement.

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The American Petroleum Institute is working through ten committees, made up of 375 members, on a program of standardization. It is estimated by one committee alone--the committee on belting--that a saving of $1,000,000 is being made possible through simplification and the setting up of better standards of production.

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Two great publishing companies, the Simmons-Boardman Publications and the Chilton Class Journal Company, at a recent meeting of publishers of 100 business papers, announced their intention of putting all their publications on a uniform page size basis. Though adoption of the 7 by 10 inch page will cost each many thousands of dolla rs at the start, ultimately it will prove a great economy. The meeting recommended four sizes of pages to cover all needs for business papers. Colonel Simmons of the former company is chairman of the executive committee of the American Marine Standards Committee, which is allied with the Division of Simplification in the maritime field. President C. A. Musselman, of the Chilton company, is also an earnest supporter of Simplified Practice.

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After requesting a set of Simplified Practice Recommendations, Director B. D. Porritt of the Resea rch Association of British Rubber and Tyre Manufacturers, comments: "The rubber industry seems to present a promising field for such work, and we shall be interested to see the results of your efforts when you turn your attention to the many and varied articles which it manufacturers." The Tire and Rim Division of the Society of Automotive Engineers recently adopted recommendations as to rim sizes in the interests of greater interchangeability of tires, as a step toward further standardization.

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Following the formal approval by the Board of Directors of the Michigan Manufacturers' Association of more active cooperation in Simplification, John L. Lovett, General Manager, has sent a bulletin to the entire membership, bearing the title "Simplified Practice May Save You Money".

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One of the "eleven forward steps" presented at the 21st annual convention of the National Supply & Machinery Distributors' Association was announced as "recognition of the value of simplification". E. P. Welles told the convention "Last year, through simplification, we reduced our inventory 40%; we increased our turnover from four to six. The capital thus released we have put into better paying items. If you don't anticipate the simplifications which are coming, you will find yourself with froz en assets."

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Simplified Practice Recommendations on grinding wheels looking to further reductions will be given consideration when the Grinding Wheel Manufacturers Association meets in September, says a report from Dr. F. R. Henry, secretary.

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"We have already embodied the new standards (Simplified Practice Recommendations) in our book of engineering standards which is issued to our own organiz ation" says a letter from a Milwaukee manufacturing company. Support of this type helps broaden the interest and brings results.

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Simplified Practice Recommendations on asphalt have been reaffirmed for another year as a result of a recent meeting of the standing committee.

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The Heating and Piping Contractors National Association has, through its Board of Directors, approved the Simplified Practice Recommendations covering wrought iron and wrought steel pipe, valves and fittings, says Henry B. Gombers, secretary. The recommendations follow the recommendations of the association's committee on standardization presented to the convention of the association.

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Manufacturers of steel elbows and conductor pipe report that a survey shows the 29 gage material eliminated in the Simplified Practice Recommendation to have been cleared away, both as to stocks and manufacture of elbows and shoes.

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"Mill Supplies" magazine has joined the ranks of trade journals endorsing the Simplified Practice Recommendations for milling cutters, and indicates its willingness to approve further simplification programs. "Machinery" has printed these tables on a detachable data sheet for its subscribers, a movement which is of peculiar value to those who build up reference works for their daily use.

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President John W. O'Leary of the Chamber of Commerce of the United States states that "This year's Management Week program has been brought to the attention of the mana gers of our service departments and their sympathetic interest can be assured. I am also asking our Organization Service Bureau to bring this matter to the attention of the secretaries of all the chambers of commerce in our membership inviting them to get in touch with Mr. Hudson, secretary of the National Committee on Management Week for 1926 for suggestions. * * * We are * * genuinely in favor of organized effort to improve business management and * * we have taken several definite steps to advance this very vital cause of waste elimination in business.**"

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The American Railway Association, at its convention in Atlantic City last month, devoted a considerable amount of attention to simplification. The committee on Purchasing records and Organization reported that 55 railroads, representing 198,000 miles of road, and 230 manufacturing or selling organizations are using the National Standard Invcice Form, fully 25% of the invoices received by some of the carriers being on the sellers' own forms. Recommendations were made in favor of

standard sizes for trade catalogues. Another report presented said stores and stocks of the railroads are "burdened by too great a variety of sizes and kinds of material". It was shown that the use of the American Railway Association Standard material classification is increasing in use, and that some 16,800 items have been eliminated by six railroads. "It is the opinion of the committee based on their general knowledge and experience that a conservative figure of the savings that may be obtained would be 10% of the annual amount of the purchases of the items treated" by applying simplification, was the conclusion of another report.

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The Association of Iron and Steel Electrical Engineers, at its 22nd annual meeting in Chicago last month devoted a part of its program to standardization.

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An instance of firm simplification is given in an exchange, which notes that refining company, manufacturing 521 brands of candles, discovered that 15% could well be discontinued, and that only 37% were active. The advantages noted were: that it created a program for simplification of products, it presented facts rather than opinions, it led to action and not discussion, provided a record of results, and sold the "simplification idea".

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Simplification of commercial sizes of crushed stone is advocated by the Engineering Bureau of the National Crushed Stone Association as a means of helping sales, leading to economies "and better understanding between producer and consumer", according to an exchange.

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The National Association of Purchasing Agents, at its 11th annual meeting in Los Angeles, last month, featured simplification and standardization as means of improving the efficiency of the purchasing agent in his services to business. W.L. Chandler, secretary, made the following comment: "Our connection with the Department of Commerce is one of the most valuable we have. * * The Department, through its various divisions has rendered invaluable assistance to us in many of our projects."

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The results of Simplified Practice dealing with steel barrels and drums have been placed before 4,000 buyers by the Detroit Range Boiler & Steel Barrel Co. in a bulletin, which urges all users to study their needs and apply Simplified Practice Recommendations wherever possible. "Mr. Hoover" says the bulletin, "has shown us the way to save millions of dollars in this one industry, and the responsibility rests upon each individual to follow him as far as he can."

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That there is still a tremendous opportunity for manufacturers and others to learn about Simplified Practice and what it holds for their benefit is indicated by a recent survey made by O. L. Stone, manager of the Associated Industries of Massachusetts. Mr. Stone received 27 replies to five questions. To the question "Are you using Simplified Practice Recommendations as a guide in buying," 5 replied "yes" and 22 said "No". When asked "In what lines have you been urged to buy only simplified lines" four didn't answer, 18 said "none", and four indicated that they had received such requests. To the question "Can you cite any actual savings by buying Simplified lines" four didn't answer, 21 could not specify savings, and only one reported "yes" When asked "What other contacts have you had with Simplified Practice Recommendations", 14 had none, five didn't answer, and seven indicated that they had had such contact. Six firms indicated a belief that Simplified Practice had benefits for individual industry; 11 others were of the opinion that industry generally benefits; 19 believed that the nation at large gains from Simplified Practice. Five could see no value from simplification, and three

did not answer. To the question "What additional commodity lines show the greatest need for Simplified Practice," 14 had no answer, 7 made suggestions as to specific lines, three replied that they didn't know, and two were indefinite. The conditions disclosed by this survey are in spite of the tremendous impetus given by the cooperation of trade associations of manufacturers, distributers and consumers, by trade journals, and by advertising campaigns of a number of groups which have participated in Simplified Practice. They only bear out the comment made by Secretary Hoover that "There is a grea t area still untouched, in which the a pplication of these waste-elimina ting measures may well save not millions but billions."

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At a recent meeting of secretaries of 30 engineering societies from all over the country, the question of cooperation in simplification work was discussed, and the consensus of opinion was that such sooperation should be given very generally.

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An instance of how to move slow stocks and speed up stockturn is given in an exchange as follows: "It is interesting to note that the elimination of too much variety does not reduce the retailer's sales, but rather tends to increas them. In recent tests on hosiery, the number of items carried were reduced by two-thirds and at the same time the percentage of customers entering the store who made purchases increased from 50 to 80%. This paradox came about because with a limited number of items it was possible to carry a complete line of each of the items. Customers entering the store were not confused in seeing a shade which, it later developed, could not be bought in the size they required."

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Reports from heads of Home Economic Departments and Leaders of Home Demonstration bureaus have been received by the American Home Economics Association as to items which are in need of simplifica tion in the field of home economics. More than 50 subjects are included in the list, which embraces household equipment, kitchen utensils, textiles, books and magazines, and package goods. Among the subjects suggested in household equipment are brushes, dust pans, cook stoves, refrigerators, tables, washing machines and sinks. In kitchen utensils the suggestions range from cookie cutters to double boilers, from potato mashers to casseroles and can openers.

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Simplified Pra ctice Recommendation No. 51, on self-opening die head chasers has been issued from the Government Printing Office.

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Out of 18 sub-committees which have been named to study specific phases of wood utilization for the National Committee on Wood Utiliz ation, reports have been received that the following have begun their tasks: logging, construction, small dimension stock, pulp and paper, wood chemicals containers and regional wood utilization.

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In response to an inquiry sent out by the National Committee on Metals Utilization to Manufacturers and others interested in foundry practice as to proposals to show the approximate weight of castings on blue prints or inquiries sent to foundries for quotation, more than 95% of the 3,000 responses have indicated the desirability of such a plan.

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Keeping the government business in line with commercial practice, the Comptroller General of the United States has issued, as a part of General Regulations No. 51, instructions concerning the National Standard Invoice Form as Follows:

"Attention is invited to the form of National Standard Invoice approved by the Secretary of Commerce and indorsed by numerous commercial purchasing and accounting officers' associations. This form is intended to be used universally by individuals, firms and corporations in their daily business transactions with a view to simplifying commercial practice and eliminating waste. Wherever it is practicable and desirable to use dealers' invoices or bills ** It is desired that, in the interest of uniformity of evidence furnished, size of form, and widespread acceptance of same in the commercial world, payees be requested to submit their bills on the National Standard Invoice Form to the fullest extent possible, to be duly attached to and become a part of their vouchers."

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Sales of copies of Simplified Practice Recommendations are rapidly nearing the quarter of a million mark. They are being bought not only by trade associations but by large manufacturers and distributors in order that their men in the field may be kept in touch with the latest developments. Yale University bought 500 for class work.

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Recent foreign visitors have included representatives of the Japanese Government and Japanese Engineering Standards Committee, manufacturers from Ireland, England and Germany, and students from Wales. Letters from foreign countries have indicated interest in Simplified Practice as being on the gain in Australia, South Africa, England and Italy.

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The Bulletin of the Societe d'Encouragement pour l'Industrie National of France, in April contains a complete translation into French of "Simplified Practice What It Is and What It Offers".

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In addition to 11 other industrial groups in which there has been shown an average adherence to Simplified Practice Recommendations of 82%, reports from the lumber industry show an adherence of 80% to standard and 14% to extra standard lumber, under American Lumber Standards; and the sheet steel industry shows 52-1/2% adherence to the recommendations. This is one method by which the value of Simplified Practice to an industry proves itself.

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A last minute report indicates that waste elimination is very ancient in origin. The cunieform inscriptions on clay bricks uncovered in digging for the history of the ancient Assyrians indicate that the teachers of that ancient people taught the saving of space by writing on all six sides of the tablets !

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In a booklet "How Gallaher Made Good", the Merchants Service of the National Cash Register Company, Dayton, gives the story of a retailer who turned defeat into success, and who attributes part of his success to simplification of his stocks.

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